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Attorney for Defendants
JPMORGAN CHASE & CO. AND
CHASE BANK USA, N.A.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAII

STATE OF HAWAI'I, *EX. REL.*
DAVID M. LOUIE, ATTORNEY
GENERAL,

Plaintiff,

vs.

JPMORGAN CHASE & CO., CHASE
BANK USA, N.A., and DOE
DEFENDANTS 1-20,

Defendants.

CIVIL NO. _____
(Other Civil Action)

DECLARATION OF MARC FINK

Trial: Not Set

DECLARATION OF MARC FINK

I, Marc Fink, hereby declare as follows:

1. I am a Marketing Director for Chase Bank USA, N.A. ("Chase"). My responsibilities include managing certain optional amendments to Chase credit card agreements that provide for the suspension or cancellation of debt repayment obligations. In this declaration I refer to such optional amendments as payment protection plans. I am competent to testify on the matters stated herein. This declaration is based upon my personal knowledge and my review of Chase's business records.

2. JPMorgan Chase & Co. ("JPMorgan Chase") is a bank holding company incorporated in the State of Delaware with its principal place of business in New York. JPMorgan Chase does not issue credit cards and had no involvement with Chase's sale of payment protection plans.

3. Chase is a national banking association chartered under the National Bank Act. Chase's main office is located in Delaware. Chase extends credit to its cardholders by offering them credit card accounts, the terms of which are governed by a cardholder agreement.

4. Chase's payment protection plans are optional amendments of Chase cardholder agreements that modify the contractual terms for repayment of a customer's credit card loan. According to Chase's records, thousands of Hawaiian residents have paid payment protection plan fees to Chase. In the aggregate these fees exceed \$5 million.


5. Chase cardholders ordinarily must make minimum payments on their credit card account balance each month. Under a payment protection plan, a cardholder's obligation to make these minimum payments is suspended or cancelled in whole or in part under the circumstances covered by the plan. In the event of a *suspension* of the cardholder's repayment obligations, the cardholder need not make the minimum payment that otherwise would be due and is relieved of interest charges and late fees that otherwise would accrue during the suspension period, as specified by the terms of the plan. In the event of a *cancellation*, the cardholder is also relieved of the obligation to repay some or all of the principal amount of the loan balance. Depending on the plan, debt cancellation or suspension may occur in the event of death, disability, involuntary unemployment, marriage, birth of a child, moving, natural disaster, call to military service, hospitalization, business hardship, a once-a-year payment holiday, and other qualifying events, each of which is specifically defined by the terms of the plan.

6. Chase's payment protection plans extend additional credit to cardholders in some or all of the following ways: (i) they relieve customers of minimum payment obligations, thus extending the term of the loan and allowing customers to retain loaned funds for a longer period of time before repaying them, (ii) they allow customers to retain loaned funds on more favorable terms (*i.e.*, without paying interest charges that would accrue in the absence of the plan, and

without paying late fees that otherwise would accrue if the customer were to fail to make a minimum payment), (iii) they relieve customers from the prospect of breaching or defaulting on their credit card loan terms, (iv) they allow customers to continue drawing on the credit extended by their credit card account under circumstances in which it otherwise might be reduced or withdrawn (*i.e.*, customers may continue to use their credit card up to their credit limit while benefiting from debt cancellation or suspension), and (v) the plans may permanently relieve customers of some or all of their loan balance. Chase charges a fee for the plans as compensation for these extensions of credit. These fees ordinarily are calculated as a percentage of the customer's outstanding credit card loan balance.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct to the best of my knowledge and belief.

Dated: Monday, May 14th, 2012.



MARC FINK